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RUEKJCS/SECDEF WASHDC PRIORITY

RUESDT/DTRA-OSES DARMSTADT GE PRIORITY

RHMFIS/CDR USEUCOM VAIHINGEN GE PRIORITY

RUEKJCS/Joint STAFF WASHDC//J5-DDPMA-IN/CAC/DDPMA-E// PRIORITY

RUEAHQA/HQ USAF WASHINGTON DC//XONP// PRIORITY

RUEADWD/DA WASHINGTON DC PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 04 USOSCE 000204

SIPDIS

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NSC FOR DEFENSE POLICY & STRATEGY
JCS FOR J5/COL NORWOOD
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TAGS: BK KCFE OSCE PARM PREL RS SR

SUBJECT: DAYTON ARTICLE IV ON EX-YUGOSLAVIA ARMS
CONTROL--REVIEW CONFERENCE GOES SMOOTHLY

Classified By: Chief Arms Control Delegate Hugh Neighbour,
for reasons 1.4(b) and (d).

¶1. (SBU) Summary: The Sixth Review Conference for Dayton Article IV implementation was held in Vienna on 3-4 July 2008. The conference went very smoothly -- there were no contentious issues between Bosnia, Croatia, Serbia and Montenegro. Indeed, the main area of discussion centered on ways the Parties would take on increased "ownership" of the agreement, while retaining involvement of the broader international community. All avoided the issue of Kosovo. Meanwhile, the CiO's Personal Representative (PR), Italian Brigadier General Periotto, will address the OSCE Permanent Council on September 25 regarding Dayton activities. USDel recommends that that U.S. express strong support for his position and for the leadership he has shown. The next "Article IV Sub-Regional Consultative Commission" meeting will be 15-16 October in Montenegro. End summary.

Sixth Review Conference

¶2. (SBU) The "Sixth Conference to Review the Implementation of the Agreement on Sub-Regional Arms Control" was held in Vienna, 3-4 July. The Review Conference began with a three hour preparatory committee the day before, in which the majority of the work on the final document was hammered out in advance between the parties themselves, Bosnia, Croatia, Serbia and Montenegro. They did this without the presence of the Contact Group (CG), i.e., Britain, France, Germany, Italy, Russia, U.S.

¶3. (SBU) The Review Conference concluded after a brief final session on 4 July, which followed an opening dinner on 2 July and a three-hour session on 3 July. There were no contentious issues and only a few areas of significant discussion.

Moving Towards Local "Ownership": Only Questions Pace, Depth

¶4. (SBU) The main area of open-ended discussion and "brainstorming" during the Review Conference concerned the

pace, depth, and definition of steps to be taken by the Parties to assume greater "autonomy" within the Article IV process. The PR, Italian Brigadier General Periotto, in his opening statement, called for eventual "full and final" transfer of ownership to the Parties. (Comment: USOSCE had been working with both PR and CG to encourage such a statement from the PR. End comment).

¶ 15. (SBU) All four of the Parties responded in statements that they also wanted to work towards more responsibility. Bosnia-Herzegovina and Serbia edged to a more moderate pace of such transfer of autonomy, with continued involvement and supervision of the PR and the International Community.

¶ 16. (SBU) Croatia edged to a more aggressive transfer of autonomy. The Croatian Head of Delegation, Sanja Bujas-Jaraga told U.S. reps on the margins that Croatia was interested in removing the concept of "supervision" of Article IV implementation, in favor of "partnership" between the Parties and the PR. After Bujas-Jaraga's intervention, the Croatian Head of Verification emphasized to US reps that he would like to see continued International Community participation in inspections in order to provide "witnesses" to any problems. A transition from Assistants to Observers, or guest inspectors, could take place. Regardless, all Parties agreed to consider specific ways to assume increased autonomy, or "ownership" of the Agreement.

¶ 17. (SBU) The Final Document of the Sixth Review Conference included language that expressed that the Parties will "explore the modalities for further strengthening of their

USOSCE 00000204 002 OF 004

ownership over the implementation of the Agreement for the purpose of gradual achievement of full autonomy in its implementation". Bosnia-Herzegovina perhaps best espoused the additional benefits of this process when it stated during an intervention that "ownership gives new incentives; it makes us energetic and attentive to increase cooperation and collaboration with one another in developing new ideas."

Euro-Atlantic vs. European

¶ 18. (SBU) A short disagreement concerned whether Parties should substitute "European" for the oft-used term "Euro-Atlantic" in the final document. All Parties committed themselves to increased integration to "the West", but Serbia objected to the term "Euro-Atlantic" as essentially meaning NATO, while "European" would make clear that integration into the European Union was the main goal. Croatia led the successful charge to maintain the term "Euro-Atlantic", arguing that it was inclusive of aspirations to join NATO and/or the EU.

Amendment to Article IV to Include Montenegro

¶ 19. (SBU) The Parties expressed their satisfaction that, during the period after the V Review Conference, Montenegro became a Party to the Agreement in accordance with the Decision as of 16 January 2007. The Final Document notes that the process of involvement of Montenegro into the work of all activities has "been achieved due to full political will and readiness of Montenegro to participate in the implementation of the Agreement." However, the Amendment to Article IV to formally incorporate Montenegro was NOT signed during the Review Conference due to Serbia's lack of government. Serbia did, however, agree in principle and resolved to sign during the next Sub-Regional Consultative Commission meeting, 15-16 October 2008, in Montenegro.

Issues for Future Discussion and Solution

¶ 10. (SBU) In addition to "autonomy transfer," several other

issues were discussed during the conference and included in the Final Document under issues requiring "further discussion." These include:

-- Finalizing the procedures for issuing the Statements on voluntary limitations on military manpower;
-- Considering the issue of the minimum number of quotas ensuring a stable inspection regime;
-- Considering initiatives to simplify existing allowable procedures for equipment reduction;
-- Finalizing the process of development of a handbook for implementation of the Agreement on Sub-regional Arms Control; and
-- Expressing their readiness to initiate an exchange of opinions with regard to considering the Adapted CFE treaty as a possible suitable long-term alternative to the Article IV Agreement. (Note: Several of the Parties went even further in their support to strongly consider eventual accession to the Adapted CFE Treaty, assuming an eventual entry into force. End note.)

U.S. Succeeds at Keeping Kosovo Out; Russia Blocks CG Statement

¶11. (C) Russia did not make an intervention during the Review Conference, keeping the agreement among Contact Group (CG) members not to "break silence" on the Kosovo issue. Similarly, the Parties themselves avoided the issue.

¶12. (C) In the days and weeks before the Conference, at the USOSCE 00000204 003 OF 004

request of the PR, the CG worked on a German draft CG Statement for the Sixth Review Conference. The German draft contained support for the Personal Representative, the Parties, implementation successes, and the transfer of ownership to the Parties themselves.

¶13. (C) However, on "very firm" instructions from Moscow, Russia (Balakin) prevented a joint statement by the CG through its insistence that any CG statement include a reference that would imply that Kosovo is part of Serbia. Russia insisted on inserting a "clear and unambiguous reference" stating that the Article IV Area of Application (currently Serbia, Montenegro, Croatia and Bosnia-Herzegovina) includes the territory of Kosovo. Periotto believed that such a statement, or even a German-proposed alternative that would allow for "constructive ambiguity" would be counter-productive because all of the Parties' were interested, at least for now, in avoiding the political issue in Article IV. After strong U.S. objection for any reference to Kosovo, the PR requested the draft CG statement be rescinded.

Staffing Changes for Article IV

¶14. (SBU) Periotto will lose three very experienced staff members, all secondees, two of which are rotators, this summer: Retired German Lt. Colonel Helmut Kruse with over 10 years experience and German Major Joern Wiederholz, who moves to the NATO International Staff, and his Personal Assistant, Italian Major Gabriele DeFeo.

¶15. (C) During a private lunch with U.S. rep Claus, Periotto outlined his plan for the future. He intends to continue to keep the international community (IC) involved and has confirmed the interest of the Parties to continue participation of the IC. Periotto has rejected his predecessor's proposal to downsize the rank of the PR or to move his office to the CPC. He plans to remove one of two German operations officer, secondee slots and will replace DeFeo with an Italian Lt. Colonel who is already selected. He completely understands the U.S. interest in saving money within the Secretariat and is willing to work with the U.S.

¶16. (SBU) On 24 July, the U.S. delegation hosted a luncheon for the members of the CG and Periotto and his staff, three of which are departing this summer. The U.S. took the opportunity to thank General Periotto for his leadership and forward-leaning ideas to transfer additional autonomy to the Article IV states. The General and CG members bid farewell to U.S. representative Jon Claus, the only member of the current CG leaving before the next Sub-Regional Consultative Commission. The remaining members, as well as U.S. co-representative, LTC Alan Hester, will next meet in Montenegro, during the next meeting of the Sub-Regional Consultative Commission, 15-16 October 2008.

Montenegro and Kosovo

¶17. (C) During the lunch with Claus, Periotto shared his assessment on the potential for Montenegrin recognition of Kosovo. After early July discussions with the Head of Mission in Pristina (Amb. Badescu) and Montenegrin military leadership, including the CHOD), Periotto believes that Montenegro already has made the decision to recognize Kosovo's UDI, and could do so as early as in mid-August. Amb. Badescu was worried about the impact of this. When questioned, he did not attribute this assessment to any one representative, but from different conversations.

¶18. (C) According to Periotto, the Serbian Military Advisor to the OSCE, Lt. General Zaric, has told him that the Serbian reaction to this act will be "180 degrees" different from

USOSCE 00000204 004 OF 004

Serbia's reaction to Croatian recognition of Kosovo because Montenegro is Serbia's "little brother." This could impact the signing of the Article IV amendments and implementation of Article IV. Additionally, Montenegro will provide its first military advisor to the OSCE soon - Lt. General Martinovic, who will be the same rank as the Serbian Military Advisor.

Good News on INA Formats

¶19. (SBU) Article IV staffer Wiederholz informed U.S. reps that the INA formats for Dayton were completed by the contractor way under budget. The estimate for the work was originally 70,000 euros, while only 30,000 was allocated. U.S. rep Claus reviewed the formats for accuracy. They will be provided to the Communications Group at its next meeting for approval and subsequent use by the Parties. (Comment: German Major Wiederholz deserves the credit for pushing for completion of this project. End comment.)

Support for CiO's Rep in the PC

¶20. (SBU) Periotto will address the OSCE Permanent Council on 25 September regarding Dayton activities. Periotto is the most pro-U.S. PR so far and has been willing to listen to U.S. reps and implement their suggestions at every opportunity. USDel recommends that U.S. express strong support for his position and for the leadership he has shown on this occasion.

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